

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF MT.)	CASE NO.
OLIVET NATURAL GAS COMPANY,)	7800-II
INC.)	

O R D E R

On October 13, 1980, the Commission issued its Order in Case No. 7800 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On April 16, 1985, Mt. Olivet Natural Gas Company, Inc., ("Mt. Olivet") notified the Commission that its wholesale cost of gas would be decreased by its supplier, Columbia Gas Transmission Corporation ("Transmission"), effective April 1, 1985, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission. By letter dated May 10, 1985, the Commission delayed action in this case pending a decision by the Federal Energy Regulatory Commission ("FERC").

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Mt. Olivet's notice of April 16, 1985, set out certain revisions in rates which Mt. Olivet proposed to place into effect,

said rates being designed to pass on the wholesale decrease in price from its supplier in the amount of \$20,301 or 46.81 cents per Dth.

(2) On April 4, 1985, Transmission filed a Stipulation and Agreement of Docket No. TA 82-1-21-001, et al, with the FERC. The filing contained rates to be effective April 1, 1985. On June 14, 1985, the FERC approved the negotiated settlement in this docket.

(3) Due to the retroactive nature of Transmission's rates, Mt. Olivet should report to the Commission any excess revenues collected during the period from April 1, 1985, to the date the proposed rates are implemented, along with a plan to refund any excess collections to its customers.

(4) Mt. Olivet's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 7800, dated October 13, 1980, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after April 1, 1985.

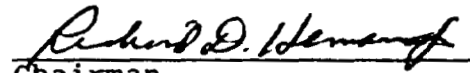
IT IS THEREFORE ORDERED that the rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after April 1, 1985.

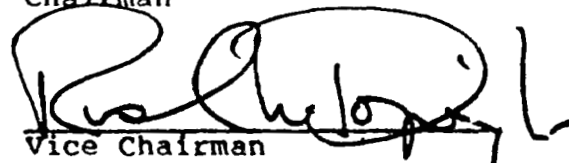
IT IS FURTHER ORDERED that as soon as the information is available Mt. Olivet shall report to the Commission any excess revenues collected during the period from April 1, 1985, to the date the proposed rates are implemented, along with a plan to refund any excess collections to its customers.

IT IS FURTHER ORDERED that within 30 days of the date of this Order Mt. Olivet shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 11th day of July, 1985.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE COMMISSION TO CASE NO. 7800-II DATED 7/11/85

The following rates and charges are prescribed for the customers served by Mt. Olivet Natural Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

RATES: Monthly

First 1,000 cu. ft. or less	\$7.02 (Minimum Bill)
Next 4,000 cu. ft., per 1,000 cu. ft.	5.2743
Next 5,000 cu. ft., per 1,000 cu. ft.	5.0743
Next 10,000 cu. ft., per 1,000 cu. ft.	4.9243
Over 20,000 cu. ft., per 1,000 cu. ft.	4.7243

The base rate for the future application of the purchased gas adjustment clause of Mt. Olivet Natural Gas Company, Inc., shall be:

	<u>Demand</u>	<u>Commodity</u>
Columbia Gas Transmission Corporation	-	\$3.9538 per Dth